

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ESTILL)	CASE NO.
COUNTY WATER DISTRICT NO. 1 FOR AN)	2017-00176
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

On May 10, 2017, Estill County Water District No. 1 (“Estill County”) tendered an application with the Commission pursuant to 807 KAR 5:076 requesting to adjust its rates for water service. By letter dated May 12, 2017, the Commission notified Estill County that its application was deemed filed. In its application, Estill County requested rates that would increase annual water sales revenues by \$345,009, a 22.50 percent increase to pro forma present rate water sales revenues. By Order dated June 12, 2017, the Commission established a procedural schedule through which Estill County’s application would be reviewed. There are no intervenors in this case.

Pursuant to the June 12, 2017 procedural Order, Staff issued a report (“Report”) on August 9, 2017, summarizing its findings regarding Estill County’s requested rate adjustment. In its Report, Staff found that Estill County’s adjusted test-year operations support an overall revenue requirement of \$1,947,095 and that an annual revenue increase of \$360,445, or 23.91 percent, is necessary to generate the overall revenue requirement. By Order, on August 18, 2017, the Commission found that a hearing should be held and that Estill County should be prepared to discuss: 1) line loss; 2) indebtedness incurred without adhering to the procedures in KRS 278.300(1); and 3)

reasons for obtaining loans to pay operating expenses and debt payments that should be paid through the process of collecting operating revenue.

On October 12, 2017, Estill County filed a motion to immediately authorize the rates that were set forth in Staff's Report. In support of its motion, Estill County stated that "each month that passes without the Commission Staff-recommended rates taking effect deprives Estill District of approximately \$14,000 in additional revenues." In additional support, Estill County attached two exhibits that were intended to represent a snapshot of the utility's financial condition as of August 31, 2017. At the hearing held November 1, 2017, the Commission granted Estill County's motion.

The Commission finds that in light of the present financial condition of Estill County, interim rates should be placed into effect immediately.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Estill County are denied.
2. The rates set forth in the Appendix to this Order are approved for services rendered by Estill County on and after November 1, 2017.
3. Within 20 days of the date of this Order, Estill County shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.

By the Commission

ENTERED
NOV 06 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2017-00176

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00176 DATED **NOV 06 2017**

The following rates and charges are prescribed for the customers in the area served by Estill County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

5/8- x 3/4-Inch Meter

First	2,000	Gallons	\$21.18	Minimum bill
Next	3,000	Gallons	10.33	per 1,000 Gallons
Next	5,000	Gallons	10.11	per 1,000 Gallons
Over	10,000	Gallons	8.00	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$52.18	Minimum bill
Next	5,000	Gallons	10.11	per 1,000 Gallons
Over	10,000	Gallons	8.00	per 1,000 Gallons

2-Inch Meter

First	16,000	Gallons	\$150.75	Minimum bill
Over	16,000	Gallons	8.00	per 1,000 Gallons

Bulk Loading Stations

7.09 per 1,000 Gallons

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